

COMMISSIONERS APPROVAL

GRANDSTAFF *CG*

ROKOSCH *JER*

THOMPSON *AT*

CHILCOTT *gc*

DRISCOLL *kd*

Members Present.....Commissioner Carlotta Grandstaff, Commissioner Jim Rokosch, Commissioner Alan Thompson, Commissioner Greg Chilcott and Commissioner Kathleen Driscoll.

Date.....January 7, 2008

Minutes: Glenda Wiles

► The Board met for approval of minutes that were needed by the Planning Staff. **Commissioner Chilcott made a motion to approve the minutes of November 8th, November 13th and November 27th, 2007. Commissioner Driscoll seconded the motion and all voted “aye”.**

► In other business, the Board met with Dennis Stranger of Management and Planning Research who presented his Fiscal Impact Analysis Model. Dennis stated he reviewed this model with the Planning Staff. The process was extended due to the budget being in a state of flux over the past few months. The model presented reflects the current Fiscal Year 2008 budget.

Dennis stated the model is designed to identify operating and service delivery costs to several county departments. The county has over 90 funds in the budget and it is not necessary to model all 90 of these funds; therefore the model was utilized for funds over \$600,000. For example the facilities fund was not modeled. Other funds such as PILT, Entitlement Levy and Health Funds have revenues over \$600,000, but they were not modeled either.

The funds modeled in the main portion of the model are: General Fund, Road, District Court, Planning and Public Safety Fund. Dennis explained his process of removing the capital expenditures which provided the adjusted general fund budget for each of the five funds. Dennis noted numerous capital expenditures in the budget but felt they were operating expenditures and he did not remove them from the budget as they would not have changed the result of the budget that much.

Commissioner Rokosch addressed the definition of capital expenditures and questioned the facilities fund being left out of the model. He felt Dennis was missing quite a bit of the costs. Dennis stated the analysis is a mechanism to obtain service and operating delivery costs. The second portion of this analysis is to look at the capital improvement costs and see the actual cost of financing the improvements. The capital expenditures are a separate analysis of the impact fees. The adjustments in the model will bring the figures down to the operating costs. He agreed this could be somewhat contrary because the large capital expenditures bias the impact costs. Dennis stated the county's capitalization policy is different from the impact analysis definition. He felt they should be addressed in a capital improvement program, but not in the impact fee policy. He also noted this follows state law.

Commissioner Rokosch stated in order to fully capture the costs; those capital expenditures need to be calculated also. Dennis agreed but stated those costs are calculated differently than the impact fee analysis.

Dennis addressed his basic modeling approach. One approach is 'marginal cost' which takes into account service capacity, more detailed analysis. Another is the 'average costs' which are not as detailed. He has utilized the 'marginal costs' in his property tax assessment, but he has blended the two together in his modeling. Dennis then explained a revenue and expenditure projection on a per household basis (found on page 6 of his model). For example, the expenditures are projected on a per household basis and the basis for the per household calculation is the 16,500 households projected for 2007. When specifically reviewing the County Attorney budget (expenditures in the 2007/2008 budget); at \$683,774 with a 90 percent increase in service delivery costs that are driven by new growth, and 95% of the growth being the new growth. Thus his calculations are: $\$683,774 / 16,500 \times 0.90 \times 0.95 = \35.43 per household.

Dennis then reviewed the Entitlement Levy and the Employer Health Contribution Levy Funds which are projected differently than other levied funds. The Payment in Lieu of Taxes (PILT) is projected in another manner as they are not tied to the households in the county.

Dennis reviewed how the model would work on a sample subdivision of 75 lots (as seen on page 8 of his model). He stated obtaining those costs will be received from the developer. Dennis stated the Ravalli County budget was difficult to model due to the state rules being more complicated than other states. His model follows year one through year ten in two phases following the undeveloped land market value, the cumulative residential lots being finished and the residential market value which will result in a total market value. He stated the based assessment (market) value is 2003. He utilized the 2003 average residential sale value and the 2007 average residential sale value which provided him the value sheet taking into account the tax rate and homestead value. The taxable values are then added to provide the property tax revenues with a one year lag built in from year one to year ten. All of the funds from General Fund to Search and Rescue were included along with all the levied funds which then provide the cumulative

property taxes for each year. Dennis stated these property tax values are extracted and utilized in the model.

Utilizing page 10 of the model, Dennis noted the yearly budget is included. He included the number of new households, year one through seven along with a cumulative projected-related household number. He also utilized the operating revenues from the budget year, noting the entitlement levy and employer health contribution funds will need to be added annually. Dennis noted the growth variables can be adjusted.

Commissioner Driscoll felt this was a good model to follow. Commissioner Rokosch stated the big problem he sees is the developers will not be able to tell the county the value of the lot development. Dennis stated the good developers should know the value of what they are building. He has visited with the Planning Staff about requiring the developers to provide that information.

Discussion took place about the lots that have not been fully developed and are not receiving the services. Dennis felt at the time of building permit or the hook up of water and sewer is when the capital improvement funds should be activated. He noted the county will always be playing 'catch up' on development as it is difficult to stay ahead of the necessary infrastructure. He noted impact fees are only a part of this and capital improvement funds are also an important part of assessing the fees. He stated there will be a big change in value assessments between 2003 and 2009.

Minutes: Beth Perkins

► The Board continued the road update from Friday, January 4th. Present were Road & Bridge Supervisor David Ohnstad, Planner Renee Lemon and Civil Counsel Alex Beal.

Commissioner Grandstaff requested David review the Upper Woodchuck Road issue first.

David gave an update on the condition of Upper Woodchuck Road. He stated by petition the residents would ask the Board of Commissioners for improvements to the road and pay for the asphalt oil for the road. He stated Martin Lane south of Florence had been done a year ago and the second was St. Joseph's Lane. Both have worked well. He is bringing it forth to the Board for a decision to move forward for gravel road improvement program.

David stated the project will run from Upper Woodchuck Road (Smile Creek Road) to the county line (about 1.4 miles). A petition would require 75% of the owners. He stated the petition presented has 9 signatures and it meets the requirement. Commissioner Rokosch questioned the cost for the project. David replied it has the possibility of varying from road to road and the cost of the asphalt oil. He gave a percentage of road aggregate estimated for usage. David further discussed the Road Department does not charge for the aggregate but the landowners do pay for the asphalt oil. Commissioner Grandstaff asked the percentage paid by the landowners on the Martin Lane project. David replied about

\$11,500. He stated he does not have the exact amount with him. Commissioner Rokosch stated he would feel more comfortable having the accounting figures for the pro rata ratio and the overall benefit before making a decision. Commissioner Grandstaff stated her concern is with the road accesses for the subdivisions in Missoula County and Ravalli County. Ravalli County should not pay for Missoula County road improvements.

Commissioner Thompson stated the Board has had complaints about dust abatement and air quality and can now move forward in a positive manner. He is in favor of this program. Commissioner Grandstaff replied the program is fine but no one lives on this road to pay for it. The county taxpayers are going to have to invest in this project. David replied Upper Woodchuck Road has been adopted as a county road and is in the operational procedure book. The cost for this roadway itself is in the neighborhood of \$25,000 for the residents. For the Road Department, it is roughly \$85,000. Commissioner Driscoll stated since she has been going to the meetings in Missoula, she feels working with Missoula County would be a positive. She questions the possibility of Upper Woodchuck Road being connected to other roads. David replied Upper Woodchuck Road is not likely to be connected to other roads. They have an operational agreement with Missoula. For access to those properties, most will be off of Upper Woodchuck or Lower Woodchuck Road. Commissioner Chilcott asked what is spent per year on the county maintenance. David replied it is not a road the Road Department would invest in right now.

Commissioner Chilcott stated there are hay production areas where dust is a problem. This is one of the things the Board can do proactively to improve air quality. He believes this is a good project. He stated if the citizens are going to step up and assume some cost for these improvements; the Board should support their request. Commissioner Rokosch stated the road is utilized mostly by Missoula residents. The Board has to look at the traffic generated and by whom. Since most of the traffic existing is from Missoula County, they should have some responsibility for cost. Commissioner Driscoll stated she would like to see a final cost of the project. Commissioner Grandstaff agreed with Commissioner Driscoll. She would also like to see final cost. Commissioner Chilcott stated he would like to hear from the public and contact Missoula County to see if they will assume some for the cost.

Renee stated the Board adopted a petition to realign Upper Woodchuck Road. Commissioner Grandstaff asked David how it will affect this petition. David did not reply.

Commissioner Grandstaff opened public comment.

Aldo Sardot stated he is making two to three trips a day on Upper Woodchuck Road. It is a dangerous road. It needs to be improved. Most people use Fairview Road to travel to Upper Woodchuck Road because it is in much better condition. He presented a road count stating 1,000 trips per week are being made on Upper Woodchuck Road. The most use comes from Ravalli County and sees no reason why the Board will not approve the road repair.

Brett Bandeau stated it seems to him there is going to be some precedence set as to who is going to bring the road up to county standards. This is a good opportunity to have some improvements done before Ravalli County will be responsible to do all of it.

Aldo replied Upper Woodchuck Road is a county road. The county has not done any work on it. The residents have paid for the improvements up to this point. He would hate to see the County sued for someone getting hurt because they did not do the improvements necessary to make it safe. David replied the management program provides the level of service needed. Future improvements are at the discretion of the County with no liability. Commissioner Driscoll stated it is her responsibility to look at the cost of the improvements for the County and whom it would benefit. Aldo replied the residents are paying for the improvements and he does not see why this petition could not be approved. Commissioner Chilcott asked if these same citizens requested dust abatement and how much more is required to do a double shot of asphalt oil. David replied a lot. Commissioner Chilcott questioned Brett's comment regarding responsibility for road maintenance. Brett replied Missoula County has stated it is not their responsibility to provide road improvements for Ravalli County citizens.

Commissioner Rokosch asked Alex for his opinion of the alignment petition. Alex replied the realignment of the road was approved with the subdivision. He stated if the applicant for the realignment would like to "undo" it, it would be different. Clarification followed regarding the need for the realignment prior to the possible gravel road improvement project. Commissioner Chilcott stated abandoning an easement would be bad public policy.

Commissioner Rokosch stated he will need to see the resident cost versus the Road Department cost before approval and enter into discussion with Missoula County. David replied he has not found a receptive member of Missoula County for discussion. Commissioner Driscoll replied they will find someone for the discussion. Commissioner Grandstaff stated she will need a cost breakdown for the county share of this project and schedule a discussion with Missoula County. Commissioner Chilcott asked if the project was approved, when would work start. David replied this summer.

David stated the dust abatement is entering into the fourth year. It costs \$304 for a resident to participate in the program. He is trying to subsidize the cost in order to obtain more participation. He stated they could reduce the cost down to \$195 - \$220 for the same \$304 program service fee currently being outsourced. He requested approval for the Board or approval to seek purchasing the equipment to do it themselves. He discussed the time to do it is now for the 30 to 60 days modification period. Commissioner Driscoll asked if any other types of material can be used. David replied it is not just the cost of material but the cost of everything going up. Commissioner Rokosch asked for clarification of David's request. David replied it is to either continue to contract out for service or purchase the equipment for Road Department to do it themselves. Commissioner Grandstaff and Commissioner Rokosch both agreed the Road Department should purchase the equipment. **After brief discussion, it was the Board's consensus to**

have David contact Internal Auditor Klarryse Murphy for funding of the purchase of the equipment. Commissioner Driscoll asked if the equipment could be used for the improvement project on Upper Woodchuck Road. David replied it is different from doing the surface treatment. If you are doing the mile long segment, it is more sensible to do the long term solution.

Minutes: Glenda Wiles

► The Board met with Sheriff Hoffman regarding payment of coroner services and employee action forms as well as a general update. Also present was Administrative Assistant Wanda Lorea and Under Sheriff Kevin McConnell. Sheriff Hoffman presented an invoice for locks and repairs at the Detention Facility. He asked the Commissioners to make policy on the payment of these repairs as well as the maintenance responsibilities. Commissioner Chilcott stated if maintenance is a repair to the building, it could be a maintenance budget issue, but if it is specific to the Detention Facility, it should be the Sheriff's responsibility.

In regard to the request for payment on various Coroner invoices, Under Sheriff Kevin McConnell noted this issue came up last year also. Sheriff Hoffman stated there has been no Coroner budget per se. Currently the budget is set at \$8,000.00. They have an average of seven coroner investigations per month. Not all investigations result in an autopsy, but if a Doctor will not sign off on the death; the bodies need to be sent to the crime lab. The Attorney General's opinion reads that it is the county's responsibility to pay for these autopsies. Sheriff Hoffman stated he has visited with Sheriff McMeekin about the Sheriff being the Coroner. Missoula County does have a budget for coroner/autopsy services, and he will obtain a copy of that budget if the Commissioners would like. Currently Sheriff Hoffman is tracking the mileage and time when dealing with these crime lab issues. He stated it is probably time to start a new line or budget for Coroner Services.

Currently his coroner line in the budget is spent out and he is requesting the Commissioners pay the three presented invoices totaling over a thousand dollars.

Commissioner Chilcott stated the Fiscal Year 07 coroner's line item was \$16,500 and this year's Fiscal Year budget (08) is \$8,000. He stated if the Commissioners pay this out of the Commissioners line item it is a 'slippery slope' because other departments will ask the Commissioners to pay for items if they under-funded a line item. He stated he does not want to set a precedent where the Commissioners pay other department bills.

Sheriff Hoffman stated there is no budget for Coroner services and felt one needs to be set up and funded accordingly. This year as in past years, the Sheriff's budget has paid for these Coroner services. He also stated there is an Attorney General opinion which sets the payment responsibility to the county. He noted he has no control over the number of coroner services during the budget year.

Commissioner Grandstaff asked who would have the responsibility of handling the Coroner budget. Sheriff Hoffman stated the Sheriff is the Coroner under the current administration. There could be a separate office, such as a Civilian Coroner which would include salaries for the Coroner, cost of autopsies, salaries for Deputies, mileage etc. Sheriff Hoffman anticipated the number of services will increase as does the growth in the county.

Commissioner Driscoll addressed the issue of the fluctuation of these necessary services. Commissioner Grandstaff stated extra services are needed and cannot always be anticipated in each budget year by all departments.

Commissioner Chilcott stated there is a history of expenditures that are delineated in previous year budgets. This year's budget was 40% under the normal calculations. He stated he understood the tight budget but the Commissioners have a tight budget too. Sheriff Hoffman stated he advised the Commissioners that he was gambling on reducing that line item. Commissioner Chilcott stated the job of Sheriff is also the job of the Coroner. Having one office rather than two makes more fiscal sense. He stated he does not know how to pay for this without ending up having other offices come to the Commissioners for payment of their unanticipated services.

Commissioner Grandstaff asked if the Attorney General opinion addresses which fund the autopsies are paid from. Sheriff Hoffman read a portion of the opinion which does not give the Commissioners the right to usurp the authority of the County Attorney in regard to the autopsies performed. Commissioner Chilcott stated the Commissioners and the Sheriff are aware this is the county's responsibility so this Attorney General opinion is not really on point.

Sheriff Hoffman stated there is no money left in his line to pay for these three invoices (\$1,430.00). Commissioner Chilcott stated the Commissioners do not tell the Sheriff where to spend his total budget; the Commissioners simply give the Sheriff his 'pot' of money and it is the Sheriff's responsibility to budget those monies accordingly. Sheriff Hoffman stated he does not have a 'crystal ball' in regard to what will happen during the upcoming year. He stated he cannot answer emergency calls because he is out of money.

Commissioner Rokosch stated the Sheriff cannot predict but he can project. He stated the Commissioners' budget is not in any better shape than the Sheriff's.

Commissioner Driscoll suggested Sheriff Hoffman see if there are formulas other counties utilize for this projection. Commissioner Rokosch stated they will meet with the Internal Auditor Klarryse Murphy for a second quarterly update in the next few weeks and this issue could be discussed at that time.

Sheriff Hoffman stated their overall expenses are at 53% and their revenues are at 60%.

Due to the time it was agreed to schedule another meeting on January 14th which will address the Employee Action Forms and general update. Glenda will visit with

Internal Auditor Klarryse Murphy in regard to a quarterly update so the Commissioners will have budgetary information prior to making a decision on the coroner invoices.

► In other business the Board held a litigation strategy meeting on the Taylor vs. Board of Adjustment issue. **Commissioner Chilcott made a motion to invoke closed door privileges. Commissioner Driscoll seconded the motion, all voted 'aye'.**